



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

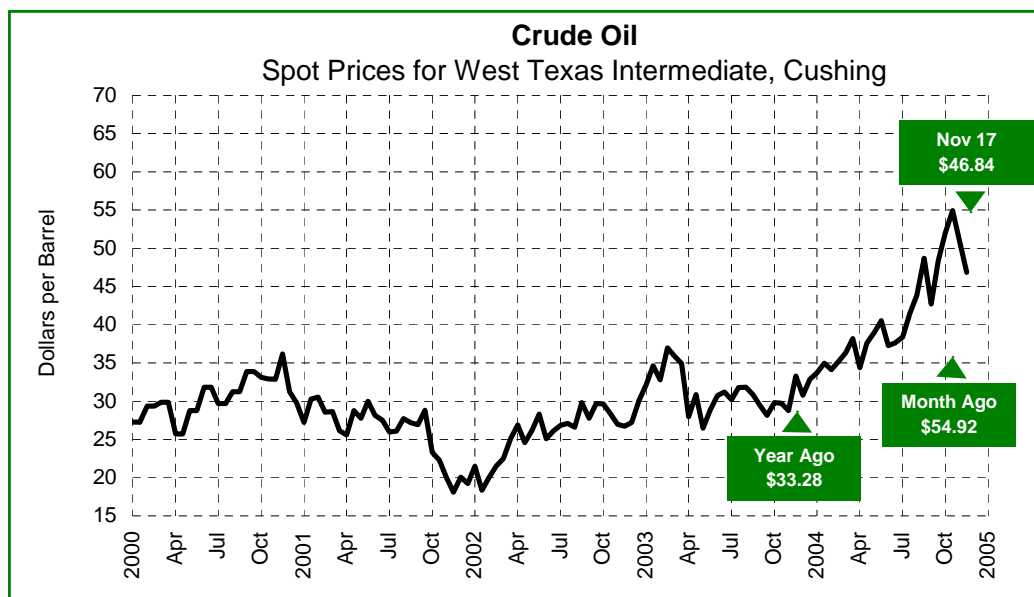
November 18, 2004

Crude Oil

On November 17, crude oil futures on the NYMEX settled at \$46.84 per barrel. Crude prices have settled below \$50 since Nov. 4.

Crude Oil - Spot Price (dollars per barrel)					
WTI	11-17-04	10-20-04	change	11-18-03	change
	\$46.84	\$54.92	down 15%	\$33.28	up 41%

- On November 17 crude oil futures on the NYMEX settled up 73 cents at \$46.84 per barrel in response to a smaller-than-expected increase in crude oil supplies and continued concerns about tight heating oil stockpiles that are down 14 percent from last year.
- Crude oil prices have settled below \$50 per barrel since Nov. 4 and have traded as low as \$45. Crude oil prices will be sensitive to the current volatility of heating oil due to significantly lower inventory levels as compared to last year. Strong heating oil prices will help support crude oil prices in the \$45-\$50 price band.



- With total inventories now at an estimated 292.3 million barrels, U.S. commercial crude oil supplies continue to be well within the 5-year supply range for this time of year, but still behind last year's storage levels by approximately 1.7 million barrels, according to EIA.

- The EIA weekly petroleum report for the week ending Nov. 12 estimated U.S. commercial crude oil stocks were up just 0.8 million barrels due to the recent recovery of oil production in the Gulf Coast region since October. A majority of the crude production level impacted by Hurricane Ivan has returned to normal levels along with several refineries that have completed seasonal maintenance.

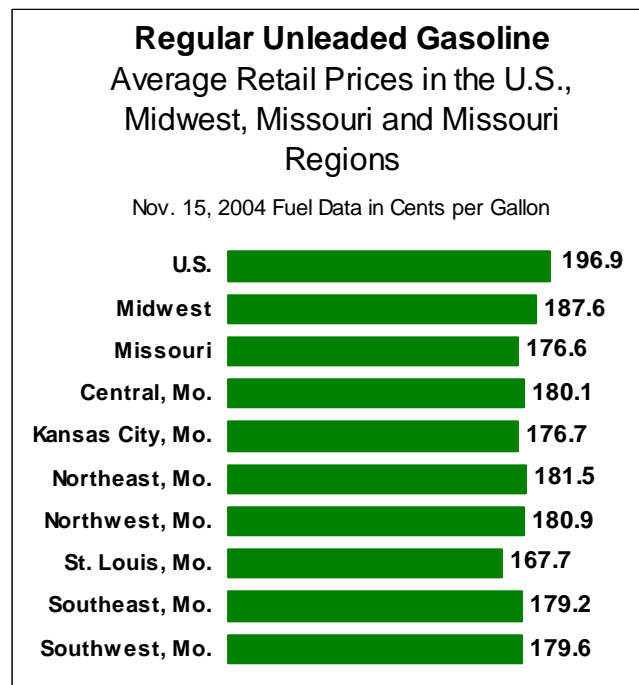
Transportation Fuels

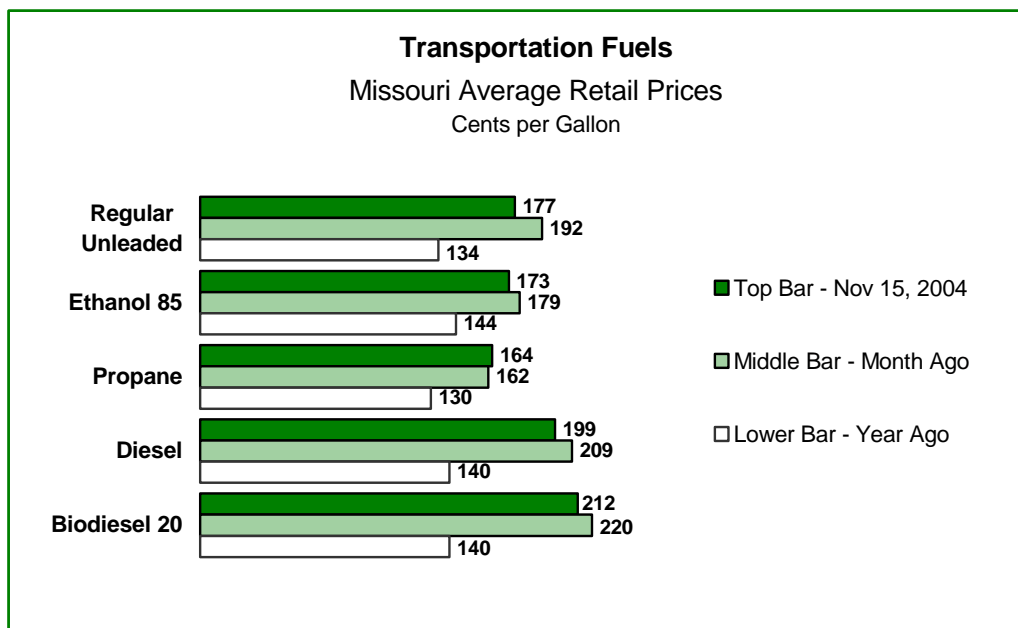
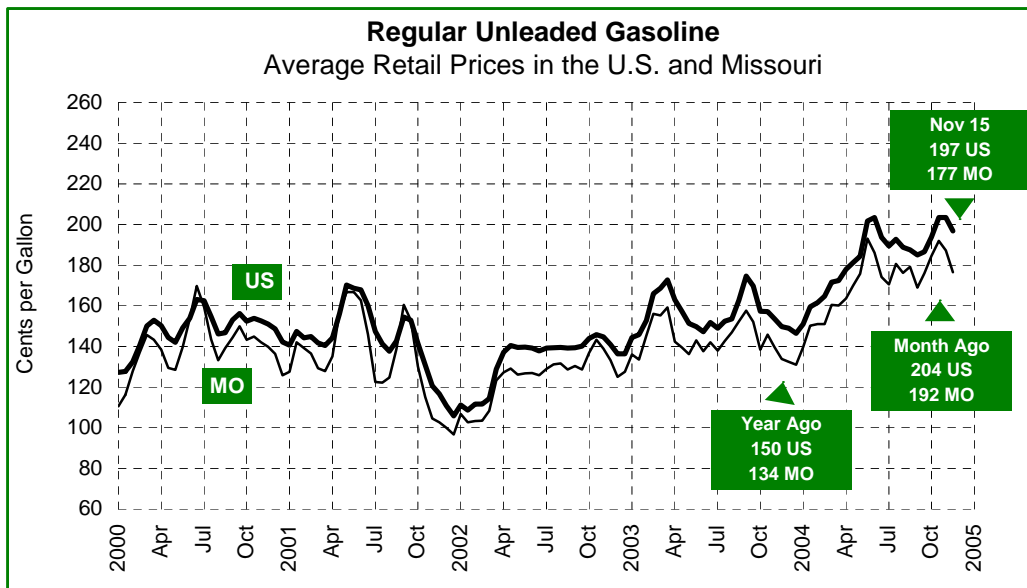
Missouri's average retail price for regular gasoline decreased 15 cents per gallon from the previous month to reach \$1.77 per gallon on Nov 15.

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>11-15-04</u>	<u>10-18-04</u>	<u>change</u>	<u>11-17-03</u>	<u>change</u>
US	197	204	down 3%	150	up 32%
Missouri	177	192	down 8%	134	up 32%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>11-15-04</u>	<u>10-18-04</u>	<u>change</u>	<u>11-17-03</u>	<u>change</u>
Missouri	199	209	down 5%	140	up 42%

- Over the last year, Missouri's average retail gasoline prices have increased 32 percent, climbing from 134 cents per gallon to 177 cents per gallon. During the last month, Missouri retail prices have decreased by 15 cents per gallon, or 8 percent, in response to the falling price trends of both crude oil and gasoline prices at the NYMEX. Missouri motor gasoline retail prices peaked at nearly \$2 per gallon on May 17. Retail prices are expected to fall slightly but remain stronger compared to last year based on the strength of current crude oil prices.





Motor Gasoline - Total Stocks (millions of barrels)					
	11-12-04	10-15-04	change	11-14-03	change
US	200.9	199.9	up 1%	192.2	up 5%

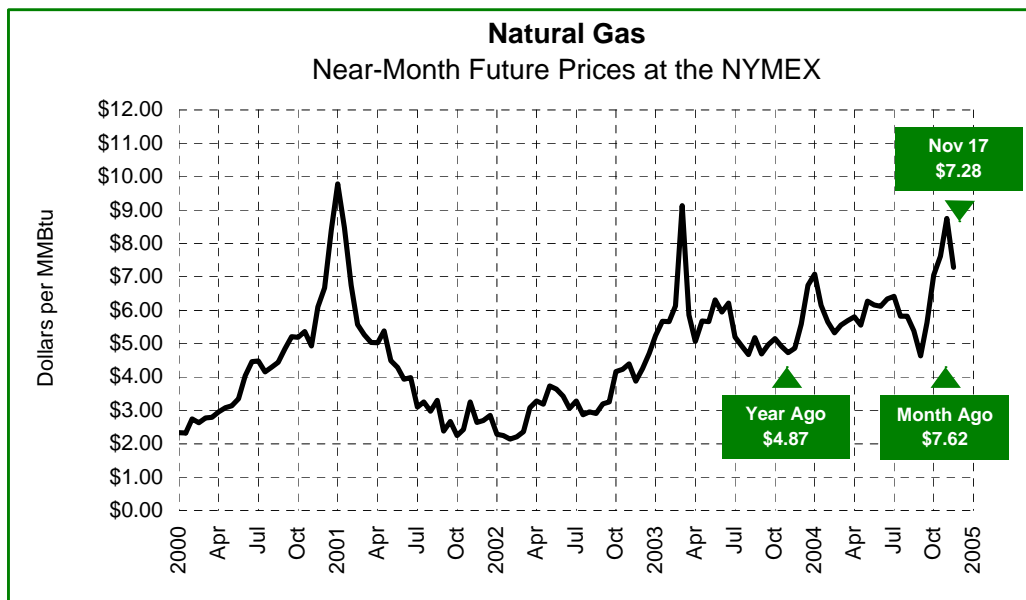
- U.S. gasoline supplies for the week ending Nov. 12 decreased by 0.4 million barrels from the previous week, placing them at 200.9 million barrels, well within the 5-year average for this time of year and 8.7 million barrels higher than last year at this time. U.S. gasoline supplies decreased due to lower gasoline production by refineries, a decrease in tanker ship deliveries of gasoline and a slight increase in consumer demand. Midwest gasoline supplies fell by 1.4 million barrels, moving from 51.8 million barrels on Nov. 5 to 50.4 million barrels on Nov. 12.
- U.S. gasoline production was estimated at 8.8 million barrels per day as of Nov. 12, down nearly 0.2 million barrels from the previous week. Imports contributed an additional 0.7 million barrels per day, down about 0.1 million barrels from the previous week.

Natural Gas

Approximately 56 percent (1,261,397) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

On Nov. 17, natural gas futures closed at \$7.28 MMBtu, a decrease of \$0.34 per MMBtu since last month and \$2.41 higher than last year, an increase of 50 percent.

Natural Gas - Near Month Future Prices (dollars per mmbtu)					
	11-17-04	10-20-04	change	11-18-03	change
NYMEX	\$7.28	\$7.62	down 4%	\$4.87	up 50%



- Working gas in storage was 3,327 Bcf as of Friday, November 5, 2004, according to the EIA Weekly Natural Gas Storage Report. This is 8.7 percent, or 266 Bcf, above the 5-year average for the report week. Inventories as of the report date were an estimated 140 Bcf above the storage level for the report week last year. The implied net injection for the week was 34 Bcf.
- Milder temperatures throughout the country likely generated little weather-sensitive demand for space heat, allowing for the net injections. During the report week, the weather for the country as a whole was about 14 percent warmer than normal, as measured by heating degree days for the week ending Nov. 6, according to the National Weather Service
- EIA projects that Midwest households may see their average winter heating bills increase by 15 percent based on natural gas prices that are expected to be 12 percent higher than last year.

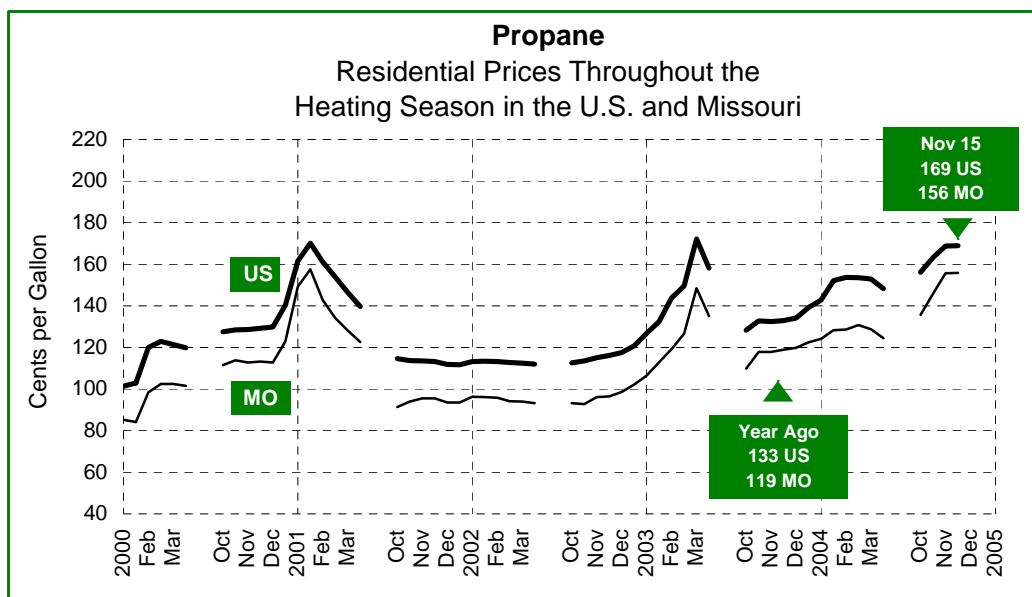
Propane

Approximately 13 percent (293,803) of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

Missouri's average retail propane price was \$1.56 per gallon on November 15, an increase of 7 percent from a month ago and 31 percent from a year ago.

Propane - Residential Prices (cents per gallon)					
	<u>11-15-04</u>	<u>10-18-04</u>	<u>change</u>	<u>11-17-03</u>	<u>change</u>
Missouri	156	146	up 7%	119	up 31%

- U.S. supplies of propane posted a decline of 2.3 million barrels, placing supplies at an estimated 64.8 million barrels as of Nov. 12. The Midwest experienced a decline in propane supplies, falling 1.2 million barrels to 20.6 million barrels as of Nov. 12. Supplies of propane are 2.9 million barrels lower in the Midwest compared to the same period last year. Due to milder temperatures, the decline was reportedly due in part to agricultural demand for crop drying and purchases by residential customers in preparation for colder weather.
- NYMEX propane future prices settled at \$0.82 per gallon on Nov. 17 compared to \$0.55 this time last year (Nov. 17, 2003). Sustained crude oil prices above \$40 per barrel (the spot price for West Texas Intermediate crude oil has closed above \$40 per barrel every trading day since July 14) and more recently topping \$50 per barrel, continue to support higher propane prices.
- EIA projects that Midwest households may see their winter heating bills increase by 26 percent over last winter, based on an average price of \$1.593 per gallon over the winter heating months with an average consumption of 907 gallons.



Energy Bulletin Update

The Energy Bulletin has an e-mail advisory service that includes an email and a direct link to the Bulletin on our web page rather than an email attachment. This service will allow our readers to have easy and timely access to a newly designed Missouri Energy Bulletin that includes easier to read summaries of price and supply information as well as colored charts and graphs. To register for this distribution service, please visit <http://www.dnr.mo.gov/energy/transportation/e-bulletin.htm>.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers. For more information, contact: MO Dept. of Natural Resources, Energy Center, P.O. Box 176, Jefferson City, MO 65102-0176; Phone: (573) 751-3443; Fax: (573) 751-6860; E-mail: energy@dnr.mo.gov; Web Address: www.dnr.mo.gov/energy/transportation/fb.htm